

Our File: LF-3835
August 4, 2011

Without Prejudice

François Paradis
Osler, Hoskin & Harcourt, LLP
1000 De la Gauchetière St. West
Suite 2100
Montréal, Québec
H3B 0A2 Canada

Dear Mr. Paradis:

Homburg Canada Incorporated (“HCI”) and Homburg Invest Inc. (“HII”)

I have been instructed to confirm the following to Osler, Hoskin & Harcourt LLP, as counsel to HII, on behalf of Richard Homburg, HCI and Homburg Finance A.G. (“**Finance A.G.**”) and to ask that you communicate the following to the board of directors of HII:

1. HCI hereby withdraws the proposal advanced by the letter of intent dated August 2, 2011, executed by Richard Homburg, on behalf of HCI, and forwarded via e-mail by Michael O’Hara to Michael Arnold, Chair of HII’s Board of Directors, on that date.
2. HCI intends to proceed with its planned insider bid, as previously announced.
3. HCI will continue to pursue its remedies for the wrongful termination of the amended and restated property and asset management agreement among HCI, HII and the other “Owners” as defined therein.
4. In light of the representations of Michael Arnold, made to Bert Albers and Jamie Wentzell, via telephone conference call earlier this evening, to the effect that:
 - a. the revocation of the power of attorney granted by Richard Homburg and Finance A.G. to the President of HII, and in his absence to the Chief Financial Officer of HII, dated July 6, 2011 (the “**Power of Attorney**”), whether by:
 - i. a total revocation of the Power of Attorney, or
 - ii. an agreed replacement of the Power of Attorney with an alternate document in the same form, substituting the named attorney and alternate attorney with a different attorney,

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would be reported by HII to the Authority for the Financial Markets in the Netherlands (the “**AFM**”); and

- b. such report by HII to the AFM would likely result in the AFM seeking to take action under the instruction(s) issued to HII in or about April 2011, and the imposition of sanctions by the AFM, including the appointment of a silent monitor, with resulting adverse impact to HII,

Mr. Homburg and Finance A.G. hereby withdraw their correspondence to HII of August 1, 2011 and August 3, 2011 revoking the Power of Attorney and seeking to amend the Power of Attorney to name a different attorney and will allow the Power of Attorney to remain in place, for the time being, in order to ensure that the risks to HII, which Mr. Arnold has represented might occur, will not be triggered by the actions of HII.

Please confirm your receipt of this correspondence and your relay of this correspondence to the board of directors of HII.

Yours very truly,

(s) **Colleen P. Keyes**

Colleen P. Keyes